

FY 2001 Organizational Success Increase (OSI) Formula

<p>Safety +Security +System Efficiency +Customer Satisfaction +Financial Responsibility +People = Organizational Success Increase</p>
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Six OSI Goals

Each fiscal year, the Federal Aviation Administration (FAA) Management Board establishes FAA strategic goals, corporate projects, and performance targets. These goals and projects all support the FAA Strategic Plan and focus on the six areas of Safety, Security, System Efficiency, Customer Satisfaction, Financial Responsibility, and People.

To help focus FAA employees on the key strategic goals and projects, the Management Board will establish goals that summarize expectations for each of the six areas. These summary goals are just that -- an overview of the total results expected. They are not the detailed and specific projects and targets upon which the agency and executive leadership are measured for other purposes. The summary goals, called OSI goals, will serve as the basis for granting an OSI to FAA employees' base salaries. The FY 2001 OSI goals are:

FY 2001 OSI GOALS

- **SAFETY -- *Reduce the fatal aviation accident rate*ⁱ**
- **SECURITY -- *Improve Aviation Security performance*ⁱⁱ**
- **SYSTEM EFFICIENCY -- *Improve the use of existing airport and airspace capacity*ⁱⁱⁱ**
- **CUSTOMER SATISFACTION -- *Gain positive feedback from stakeholders (Congress, the Management Advisory Council [MAC], industry, media, and the public)*^{iv}**

Monitoring Goal Achievement

The FAA Administrator will periodically assess success toward achieving the six summary goals. In making the assessment, the Administrator will consider whether progress toward all six goals overall falls far short of success, is partially successful, or is fully successful. The assessment will not be a mathematical calculation, but rather a reasoned judgement of progress.

Quarterly Assessment

Employees will be informed of progress toward accomplishing OSI goals on a quarterly basis. Interim quarterly reports will be developed by API, coordinated with key FAA organizations associated with each measure, and provided to the Administrator approximately one month after the end of each quarter of FY 2001. The final Fiscal Year End Report will be developed by API, coordinated with the key FAA organizations, the forwarded to the FAA Compensation Committee, who will consider it and provide its recommendations to the Administrator by the end of November. Progress will be reported to employees through cc-mail and the FAA Intercom and will be posted on the FAA web site.

OSI Determination

After the end of each fiscal year, the Administrator will make a final OSI determination based on a final overall assessment of success toward achieving the six summary goals in the following two steps.

First, the FAA Compensation Committee will propose to the Administrator a potential OSI amount by calculating the Federal comparability increase announced for January plus 1.6 percent. This will equal a combined OSI/Superior Contribution Increase (SCI) pool. The Compensation Committee will then recommend to the Administrator a percentage of that pool which could be granted as an OSI.

Next, looking back over the year, the Administrator will assess FAA's overall progress toward accomplishing the six OSI goals. Based on this assessment, the Administrator will determine whether to grant the entire available OSI pool for success or a portion of the pool for partial success as the final OSI. The final OSI will be announced and will be processed in December.

End Notes:

- ⁱ The Safety goal statement is the same as last year, but FAA has changed the metric to make it more realistic and applicable to OSL. The long-term FAA goal is still an 80 percent reduction in fatal commercial aviation accidents in 10 years from a 1994-6 baseline. However, because the number of accidents varies so widely from year to year (4 in FY 2000, 7 in FY 1999, and 0 in FY 1998), FAA has moved from judging success on the basis of one year's fatal accident rate to using a three-year average of the year's fatal accident rate plus the rates for the prior two years. This change smooths out variations. Next, FAA has moved from fatal accidents per 100,000 flight hours to accidents per 100,000 departures. Takeoffs and landings are the critical times for a flight, and the time a flight takes has little to do with its risk. Finally, to conform to FAA's rating cycle, FAA has chosen to use the fiscal year rather than the calendar year used by NTSB.
- ⁱⁱ This goal has changed from last year. Preventing security incidents is still a key element in achieving this goal, but revising the goal allows other measures as well, such as improving the detection rate for improvised explosive devices and weapons. FAA will use revised security performance measures in December.
- ⁱⁱⁱ The System Efficiency goal has been changed from last year. Ground-stop minutes of delay, the measure used last year, was found not to give a full picture of aviation delays. Also, system efficiency is measured by flexibility, reliability, and access as well as delay. So FAA has moved to a short-term measure of gaining the most use possible out of existing capacity, combined with a long term goal of achieving increased capacity. A key measure this year will be to improve the airport utilization rate (the percentage of airport capacity used) at the 21 Aviation System Performance Metrics (ASPM) airports.
- ^{iv} Added the MAC as a customer. Otherwise, goal is the same as last year.
- ^v This goal was expanded beyond last year's goal of achieving a clean audit. FAA is building new tools, including its new accounting system (DELPHI) and the Cost Accounting System (CAS), and is beginning to use those and other tools to address cost and performance management.
- ^{vi} This goal is a slight restatement of last year's goal to implement a model work environment. A model work environment is a productive and hospitable work environment where all employees can develop to their full potential and contribute fully to the organization; contributions of all employees are supported and encouraged; discrimination and harassment have been eliminated; and the nation's diversity is reflected.